

Choice Neighborhoods Benefit From Neighborhood Revitalization Strategy Area Designation

The premise of a Neighborhood Revitalization Strategy Area (NRSA) is that a concentrated investment of resources in a limited impact area can have a substantial impact for a targeted revitalization area. Choice Neighborhoods, one of the signature programs of the Obama Administration's Neighborhood Revitalization Initiative, provides local leaders with flexible funds to transform high-poverty neighborhoods with distressed public and assisted housing into sustainable communities with mixed-income housing, safe streets, and economic opportunity.

Choice Neighborhoods that receive a CDBG Neighborhood Revitalization Strategy Area (NRSA) designation through their local government can also obtain substantial benefits through regulatory flexibilities that would otherwise require waiver approval from the Assistant Secretary for Community Planning & Development. These benefits include increased flexibility with regard to the use of CDBG funds for housing and economic development activities that revitalize a neighborhood, exemptions from the public service cap for activities carried out by Community-Based Development Organizations, and other record-keeping requirements.

The White House Neighborhood Revitalization Initiative Report points out that comprehensive neighborhood revitalization efforts, like Choice Neighborhoods, can encounter challenges related to the allowable use of particular funds. Federal funds may have limited flexibility and contrasting requirements that can make it difficult to fund Choice Neighborhood projects. Upon the request of units of general local government, HUD will consider the designation of a Choice Neighborhood by HUD to meet the requirements for designation as a Neighborhood Revitalization Strategy Area under the CDBG program.

Choice Neighborhoods with a HUD approved Neighborhood Revitalization Strategy Areas are offered the following enhanced regulatory flexibility in undertaking certain CDBG-funded activities in the strategy area. These flexibilities are designed to promote innovative programs in economically disadvantaged areas of the community:

Housing

This designation allows CDBG funds to be used to support housing for a greater mix of income levels because "over-income" households can occupy single family homes as long as 51% of the homes benefit low- and moderate-income households.

Public Services

All public services offered within the approved NRSA and carried out by Community Based Development Organizations are exempt from the 15% public services cap. This exemption permits recipients to offer a more intensive level of services within the approved area, if desired.

Economic Development

Economic development activities in an approved NRSA are able to take advantage of the following flexibilities:

- Activities that assist businesses and that are designed to meet the CDBG job creation or retention requirements need not track the income of applicants they interview or hire because the assistance may be qualified as meeting "area benefit" requirements. This provides a significant reduction of the administrative burden to the assisted business and the recipients.
- Economic development activities carried out in the approved neighborhood are exempt from the aggregate public benefit standards that limit the amount of assistance that can be expended on each activity.

In the past, federally designated Empowerment Zone (EZ) or Enterprise Community (EC) located within an entitlement community were presumed to meet the criteria for designation as an NRSA without further review. Since the grantee's local HUD Field Office will review and approve the request for NRSA designation, the grantee is encouraged to consult with the Field Office as to what existing documents or other additional information HUD will need to approve the request. To avoid an unnecessary burden for the grantee in describing its

neighborhood revitalization strategy, the grantee may refer to specific portions of other documents to which HUD has access. The grantee will only need to provide additional information to the extent that sufficient detail is not already contained in such existing documents so that HUD may determine that requirements for designation of the NRSA are met.

Boston, MA Quincy Corridor Choice Neighborhood Benefits from NRSA Designation

Most of the Quincy Corridor neighborhood is located within Boston's federally-designated Empowerment Zone that was designated as a Neighborhood Revitalization Strategy Area under the CDBG program through 6/30/2013. The City currently uses its CDBG funds to support five public service programs within the target area with the largest share of its total CDBG Public Services funding to support high-quality, academically-focused after school programming. Other CDBG-supported programs located in the target area provide a range of services, including financial literacy, counseling for Portuguese-speakers, case management for adult learners and health center clients, re-entry services, and elder services. These programs currently receive a total of \$237,000 in CDBG funding per year, which leverages a total of \$2,746,940 in non-federal funding.

The Choice Neighborhood application pledged to commit a total of \$525,000 in CDBG funds and \$750,000 in Section 108 funds over the five year grant period for the Commercial Real Estate Development program and other programs. The City of Boston recently submitted a detailed application to HUD for \$3,075,000 in Choice Neighborhood Critical Community Improvement funding. If approved, the City will commit \$100,000 of CDBG funding to the RESTORE program for façade improvements, \$125,000 for Partners with Non-Profits Public facility improvements, and \$3,200,000 in Section 108 funds for economic development purposes.

The City committed \$70,000 of CDBG funds through the RESTORE program for façade improvements and signage at the historic Prince Hall Grand Lodge at 24 Washington Street. A total of \$81,250 in CDBG funds was committed for the Greater Grove Hall Main Streets for FY12 and FY13. A total of \$50,000 in CDBG funds was committed for the Partners with Non-Profits Program for FY12 and FY13.

In 2012, the City committed \$79,491 in CDBG funds through the Grassroots program for improvements at the Julian, Judson, Dean Community Garden at 48 Julian Street. The City had previously committed \$25,000 to develop a construction plan for the Leyland Street Community Garden and added \$150,000 in CDBG funds for technical assistance to develop a new garden design and renovation plan.

For additional information see: http://www.cityofboston.gov/dnd/pdr/choice_neighborhoods.asp

Springfield, MA South End Choice Neighborhood Benefits From NRSA Designation

Since the designation of the South End NRSA, the City has completed an initial phase of revitalization – a \$10 million project that focused on infrastructure improvements on the Hollywood district, Main Street, and the Gemini site. Funds for this phase included a city bond of \$6.6 million and a \$1.1 million CDBG commitment used to construct new streets and sidewalks, create new open space connections, and connect the neighborhood more effectively to Main Street.

Construction of South End Main Street was completed in 2010. The public improvements have helped spur private development including an office development on Arlington Court. The City completed the acquisition and demolition of nine homes as part of the expansion of Emerson Wight Park. Park improvements began in late 2011 and were recently completed with the park grand opening happening in July, 2012. Also underway is the redevelopment of Dwight Street Extension via a Commonwealth of Massachusetts —MassWorks grant, which is being done to coincide with the private redevelopment of historic apartment buildings in the Hollywood neighborhood. (See: <http://www3.springfield-ma.gov/cos/1298.0.html>)

The City has committed \$1.5 million in HOME funds for redevelopment of the 22 apartment buildings in the Hollywood section. The first phase of this three-phase redevelopment project is close to being completed by First

Resource Development, which obtained approval of this area as a historic district and was awarded state historic tax credits for the project. The City has also committed HOME funds to Center City Housing to repair and renovate two multi-family apartment buildings in the South End that were damaged by the tornado. The work that was expected to begin fall 2012 included significant energy upgrades and improvements.

The City and the Springfield Housing Authority were awarded a Choice Neighborhoods planning grant in January 2012 to address demolition of the Marble Street apartments, introduction of market rate housing into the neighborhood, and increased opportunities for education and employment for neighborhood residents. Through the use of Neighborhood Stabilization funds, affordable homeownership units have been developed with construction of one new home that has been completed and is for sale and a second home that is still under construction. The City demolished blighted buildings throughout the neighborhood and funded two infill houses on Adams Street, one of the more stable streets in the neighborhood.

One of the major goals of the South End Choice Neighborhoods initiative will be the introduction of additional market rate homeownership units. The City also undertook a master planning process for rebuilding areas of the South End neighborhood that were hard hit by a tornado in 2011. New Market Tax Credits are being used to significantly expand its community-based health center. A charter middle school with emphasis on academic excellence was opened in the South End and a second charter school that will serve students K-8 is being proposed.

For additional information: See: <http://www3.springfield-ma.gov/planning/southendproject.0.html>

Cincinnati, OH Avondale Choice Neighborhood Benefits From NRSA Designation

Since the designation of the Avondale NRSA, the City of Cincinnati recently completed a \$50 million office and medical space construction and parking garage project along the Burnet Avenue Corridor and planning efforts are underway to design and construct streetscape improvements. City CDBG funds leveraged private investment by the Cincinnati Zoo and Botanical Garden to enhance gateway elements at Forest Ave and Vine Street, a major entryway into the Uptown area of Cincinnati. A City commitment of \$100,000 in project funding allowed for the construction of a neighborhood gateway and repair of deteriorated sidewalk and curbs in 2011. Streetscape plans are also in the design phase to improve basic infrastructure at the intersection of Forest Avenue and Reading Road (US 42), immediately adjacent to the Avondale Town Center, a commercial/retail shopping center that received more than \$870,000 of CDBG funding. These improvements are part of an overall strategy to improve the commercial districts within the neighborhood by investing in the basic infrastructure. In addition, over \$70,000 of CDBG funding was provided for the Avondale Pride Center to assist in neighborhood safety, economic development and workforce development.

In 2010, Department of Community Development (DCD) provided gap funding for new senior rental units in the Burnet Avenue business district corridor. Forest Square, a 21-unit development, includes a DCD investment of approximately \$735,000 in HOME funds, which leveraged approximately \$3.4 million in private financing. As of the end of 2011, all 21 units in the Forest Square development were leased. Likewise, the Department of Community Development used \$6,300 of HOME funds to leverage \$83,000 of private funding for a homeownership unit. The NSP program contributed to homeownership activities in Avondale using \$10,000 of down payment assistance funding to leverage \$109,000 in private funds for the purchase of an NSP home. The City's Neighborhood Stabilization Program allocated \$419,900 to purchase and rehabilitate homes and residential properties that were abandoned or foreclosed and to redevelop demolished or vacant properties. Avondale Redevelopment Corporation is under contract with the City to carryout NSP1 activities in Avondale. All NSP1 funds have been expended and one single-family home has been rehabilitated. The City's NSP2 Program allocated an additional \$500,000 to Avondale for selective demolition of condemned properties and additional funds were used to acquire property in connection with NSP2 Activities. Over \$300,000 of CDBG funds were committed for the Future Blooms program, a low-cost program that resurfaces the fronts of vacant properties by painting representations of doors, windows, awnings and flower boxes.

For additional information see: <http://www.youtube.com/watch?v=Xz1W-TRuUEY> and http://www.uc.edu/cdc/urban_database/subregional/avondale_strategic_plan_04.pdf